



Vocational Rehabilitation (VR) Program Manual Revisions 2023

**SELF-EMPLOYMENT SERVICES**

**Revision Summary** – Revised VR policy for clarification on assessments for self-employment services.

**VR Policy**

1. Self-employment services may be provided for eligible individuals in accordance with the following guidelines and as described in the customer’s IPE who want to operate and/or expand a for-profit business for the purpose of manufacturing a product or providing a service for public sale in the competitive market.
2. **Self-employment services must contribute to the achievement of a self-employment outcome that complies with the definition of competitive integrated employment.**
3. The individual or, as appropriate, the individual’s representative must be actively engaged in making decisions about developing a business plan, start-up services, and reporting income, including the customer’s participation in the cost, when warranted.
4. The provision of self-employment services is subject to financial need.
5. Self-employment services is defined as the purchase of goods, services, and apparatus necessary for an individual to start or expand a business based on a business plan approved by VR and the cost of goods, services and apparatus approved by VR.
6. Self-employment services do not include investments or cash funding; the purchase of vehicles, land, or franchises; the construction of buildings; interior or exterior building improvements; underwriting of loans; funding of illegal activities; or hobby ventures.
7. **An assessment of the individual requesting self-employment services and the proposed business must be conducted by VR to determine if the proposed business will more than likely meet the requirements for competitive integrated employment and result in a successful employment outcome for VR. Both assessments must be documented in the case file and have a favorable result for operating a business in order to proceed with developing a business plan. The assessment may include but is not limited to:**
  - a. **Consumer readiness for self-employment determined by discussion with the customer or vocational evaluation or both:**
    - 1) **The individual’s experiences, learned skills, and abilities to perform the major tasks needed to operate the proposed business. This could include the need for assistive technology, contractors, and/or hiring individuals to help manage various aspects of the business.**





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11. An individual approved to develop a business plan must sign the Self-employment IPE Attachment that explains VR policy for self-employment services and the individual's responsibilities for operation of the business.
12. **Refer the individual to available resources such as, the Small Business Development Center, the Service Corps of Retired Executives, the local Chamber of Commerce, a small business owner, other recognized community resources or business council, or the VR Self-Employment Guide. An approved training or third party may also provide assistance.** Document assistance in the case file.
13. **A business plan must adequately explain:**
  - a. **A description of the business and capability to be successful;**
  - b. **How the individual will personally operate the business, to include requirements the person will contract out and/or hire individuals to complete;**
  - c. The specific operations of the business;
  - d. A marketing plan that may include various marketing strategies;
  - e. A means for keeping track of and documenting inventory, sales, and receipts (standard bookkeeping practices);
  - f. An itemized list of proposed goods, services, and apparatus necessary to start or expand a business with the lowest possible cost for each item; and
  - g. **A proposed cash flow that shows the business's expected gross annual income that appears to be sufficient to support the operational needs of the business and the self-sufficiency needs of the customer.**
14. A business plan review team consisting of VR staff or area professionals as determined appropriate based on the type and complexity of the business will review the business plan and make a recommendation for approval and for developing an IPE for self-employment.
15. If the provision of self-employment services or the individual's business plan is not approved, notify the individual using a "Customer Notification Letter". In the letter explain the reason self-employment services cannot be approved or the business plan's deficiencies as identified by the review team. For business plan deficiencies, inform the individual that changes may be made to the business plan based on identified deficiencies and re-submit the plan for approval once. If the re-submitted business plan is not approved, other types of businesses consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests,



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and informed choice may be considered or VR may determine a more appropriate employment objective other than self-employment. Other business proposals must be assessed in accordance with VR policy.

16. After the individual's business plan is approved, changes cannot be made unless approved by the VR Regional Supervisor.
17. Approved goods may include inventory and supplies. Approved services may include licensing, bookkeeping, marketing, and business consulting services. Approved apparatus may include electronic and non-powered or powered tools.
18. Costs paid by VR to purchase goods, services, and apparatus to start or expand a business are based on the specific needs of the business as documented in an approved business plan and cannot exceed \$10,000 unless approved by the VR Assistant Director.
19. VR will not purchase goods, services, or apparatus different in type, specification, quantity or use from what is approved by VR in the business plan.
20. All goods, services and apparatus approved and purchased by VR must be included in the customer's IPE prior to authorizing for services. The individual must coordinate with VR for the purchase and delivery of all goods, services, and apparatus.
21. Prior to purchasing goods, services and apparatus, a determination must be made by VR as to the availability of comparable services and benefits and the extent to which the comparable services or benefits may be utilized to provide or pay for the goods, services and apparatus. Comparable services and benefits may include SSA PASS plan, Veteran's benefits, Small Business Administration grants, or similar services and benefits.
22. Within five (5) business days of taking possession of goods or apparatus, the individual must provide VR with receipts from the purchases and sign a completed VR Equipment Receipt. Review the "Owner Acknowledgements and Responsibilities" with the customer. Document the signed Receipt in the case file.
23. A business may be located in the individual's home, in rented space or may be mobile.
24. Pre-owned or used apparatus that may be used in the business operation must be included in the business plan. VR will not replace pre-owned or used apparatus unless an authorized authority has certified the equipment unusable for the approved business.
25. The case may be moved to Employed Status the date the business begins operation.



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26. Once a case has been moved to Employed Status, the individual must use income from the business to purchase additional goods, services, and equipment.
27. Based on circumstances not in control of the individual and approved by the VR Regional Supervisor and/or the VR Area Director, VR may assist with the purchase of additional goods, services, and apparatus in accordance with the approved business plan for up to three (3) months after business operation begins. If the cost of additional goods, services and apparatus exceeds the VR funding limit or a previously approved amount, obtain appropriate approvals prior to any purchases.
28. The case may be moved to Closed Rehabilitated Status after ninety (90) days of operation if the business's documented gross income (measured in monthly increments) meets the requirement for competitive integrated employment.
29. The individual must provide evidence of income for the business to VR using standard bookkeeping methods every three (3) months to document when a successful self-employment outcome is achieved.
30. If after ninety (90) days of business operation the business's income does not meet the requirement for competitive integrated employment, VR will review the business's income as provided by the individual every three (3) months thereafter for up to (18) eighteen months to determine when the business's income meets the requirement for successful case closure.
31. If after eighteen (18) months the business's gross annual income has not reached the requirement for competitive integrated employment, VR will consider the individual's business as unsuccessful. VR will discuss with the individual the possibility of other VR services.
32. For unsuccessful businesses, VR will determine the continuation of VR services based on a more appropriate employment objective, excluding self-employment, that, consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice, will lead to competitive integrated employment.
33. If the individual is unable to continue with the business operation and goods and apparatus purchased by VR will no longer be used for their intended purpose, the individual is required to return the goods and apparatus to VR for possible use by other customers.